

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0590-00098-5217

Date: December 3, 2021

To: Budget and Finance Committee
Attn: Andrew Suh, Office of the City Clerk

From: Matthew W. Szabo, City Administrative Officer

 *for*

Subject: **ADDENDUM TO THE 2021-22 SECOND FINANCIAL STATUS REPORT
COUNCIL FILE NO. 21-0600-S110**

The City Administrative Officer (CAO) issued the Second Financial Status Report (FSR) for Fiscal Year 2021-22 on December 2, 2021. This addendum to the Second FSR, provides additional recommendations for transactions, revisions to recommendations included in the Second FSR, and other actions required to implement the intent of the 2021-22 Adopted Budget.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Transfer \$120,000 from the General City Purposes Fund No. 100/56 GRYD Expansion and Other Programs for Underserved Communities - CD 2, Account No. 00431 to the Los Angeles Police Department Fund No. 100/70, Overtime Sworn Account No. 001092 to address gang violence at the Whittsett Soccer Complex and other North Hollywood division parks.
2. Transfer \$1,881,432 from the Unappropriated Balance Fund 100/58, Account 580132, Equipment, Expenses, and Alterations & Improvements to various accounts within the Mayor's Fund 100/46 as follows: \$1,300,000 Salaries General (0001010) and \$581,432 Salaries As-Needed (001070) to align with current expenditures.
3. Transfer \$2,663,293 from the Unappropriated Balance Fund 100/58, Equipment, Expense, Alteration & Improvements Account 580132 to various funds and accounts as follows: \$1,763,293 to Council Fund 100/28, Salaries As Needed Account (001070) and \$900,000 to the Capital Improvement Expenditure Program Fund 100/54, City Facilities Maintenance and Improvements Account (00K046).
4. Amend Recommendation No. 9 in the Second FSR to reflect an updated equipment list deviation for the Los Angeles Police Department by substituting six Dodge Durangos for six Ford Explorers, for an authorized total of 154 units at \$8,058,300, due to recent updates from one of their vehicle manufacturers.

5. Amend Exhibit H Recommendation H.14 in the 2021-22 Adopted Budget, to authorize the City Administrative Officer to finalize and execute a Memorandum of Agreement (MOA) for the development of a Transportation Communication Network (TCN) Program, with the Los Angeles County Metropolitan Transportation Authority (Metro), subject to the City Attorney approval as to form. The MOA should include terms that:
 - a. do not obligate the City to move forward with implementing a TCN Program;
 - b. set a 20-year term on the MOA;
 - c. establish a revenue sharing framework that provides the City with 50 percent of net revenue from outdoor advertising on TCN structures located within the boundaries of the City;
 - d. provide flexibility on the use of the City's shared revenue for variety of transportation related uses;
 - e. reserve and maintain the City's police power with regard to enacting an ordinance to enable outdoor advertising on the TCN structures or taking any other legislative action relating to MOA;
 - f. condition the implementation of the MOA upon the City enacting an ordinance that allows off-site advertising to be displayed on the TCN structures through the duration of this MOA and subject to any design and development standards, including any mitigation measures;
 - g. include the take-down of static billboards;
 - h. identify Metro as the lead agency for California Environmental Quality Act (CEQA) compliance; and
 - i. limit the City's share of CEQA costs to \$1 million if the TCN program is not implemented;
6. Authorize the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

The fund transfers recommended in this report will have no additional impact on the General Fund as these are included as part of the 2021-22 Adopted Budget. Should the CAO execute a MOA for the TCN Program which includes terms similar to those described above, the City's obligation for CEQA costs is limited to no more than \$1 million. The TCN Program once fully implemented is expected to generate annual revenue for the City although the amount of revenue to be derived from the TCN Program for the City cannot be determined at this time.

FINANCIAL POLICY COMPLIANCE

The recommendations in this report comply with the City's adopted financial policies in that the proposed changes have been presented for review and approval of the Mayor and the City Council, and instructions to negotiate the MOA for the TCN Program was considered during the course of the annual budget development process.

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